

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF MASSACHUSETTS
EASTERN DIVISION**

In re) **Chapter 11**
)
PALM HARBOR ONE LLC,) **Case No. 07-15169-JNF**
)
)
Debtor.)

**MOTION TO AUTHORIZE THE DEBTOR TO RETAIN DUANE MORRIS LLP
AS COUNSEL, NUNC PRO TUNC TO THE PETITION DATE**

Palm Harbor One LLC (the “Debtor”), as debtor and debtor in possession herein, hereby respectfully seeks entry of an order pursuant to sections 327(a) and 328(a) of title 11 of the United States Code (the “Bankruptcy Code”) and MLBR 2014-1(d), authorizing the Debtor to retain and employ the law firm of Duane Morris LLP (“Duane Morris”) as counsel to the Debtor, nunc pro tunc, to August 16, 2007 (the “Motion”) in accordance with MLBR 2014-1(d). In support of this Motion, the Debtor relies on the accompanying Declaration of Paul D. Moore (the “Moore Declaration”).

In further support of this Motion, the Debtor respectfully represents as follows:

INTRODUCTION AND JURISDICTION

1. On August 16, 2007 (the “Petition Date”), the Debtor commenced its reorganization case by filing in this court a voluntary petition for relief under Chapter 11 of the Bankruptcy Code.
2. Since the commencement of this case, the Debtor has operated its business as a debtor-in-possession in accordance with 11 U.S.C. §§ 1107 and 1108 of the Bankruptcy Code.
3. This Court has jurisdiction over this motion under 28 U.S.C. § 157 and 1334. This matter is a core proceeding within the meaning of 28 U.S.C. §157.

4. The statutory predicates for the relief requested herein are sections 327(a) and 328(a) of the Bankruptcy Code, as complemented by Rule 2014 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules").

BACKGROUND

5. The Debtor has a primary place of business in Danvers, Massachusetts. The Debtor owns properties in Palm Harbor, Florida, known as Cypress Falls at Palm Harbor, which consist of two separate but abutting parcels of land with a total of 432 separately deeded condominium units in one condominium community. Of 432 total units, 76 have been sold to third-party purchasers and are owner occupied or leased independently through the third-party owners, and 356 are leased or being marketed for lease or sale. The Debtor intends to sell many or all of the remainder of the condominium units either "as is" or renovated, through the Chapter 11 process, and the proceeds from the sales and continuing rentals will form the basis of the Debtor's plan of reorganization.

RELIEF REQUESTED

6. Subject to approval of this Court, the Debtor has retained Duane Morris as its counsel in connection with the commencement and prosecution of its Chapter 11 case. The Debtor requests approval of that retention, nunc pro tunc to the Petition Date in accordance with MLBR 2014-1(d).

7. Accordingly, the Debtor respectfully requests the entry of an order pursuant to sections 327(a) and 328(a) of the Bankruptcy Code authorizing it to employ and retain Duane Morris under a general retainer as its counsel to perform the legal services that will be necessary in this Chapter 11 case.

8. The Debtor seeks to retain Duane Morris because of the firm's extensive experience and knowledge in the field of debtors' and creditors' rights and business

reorganizations under Chapter 11 of the Bankruptcy Code. Duane Morris is particularly well suited for the type of representation required by the Debtor. Duane Morris' Business Reorganization and Financial Restructuring Practice Group is comprised of approximately 47 attorneys practicing nationwide. Duane Morris attorneys have played significant roles representing various constituencies in many large and complex cases throughout the United States. The Debtor believes that Duane Morris is both well qualified and able to represent it and its interests in this Chapter 11 case.

9. The services of Duane Morris are necessary to enable the Debtor to execute its duties as debtor in possession and emerge from Chapter 11. In particular, the Debtor anticipates that Duane Morris will provide the following legal services:

- (a) to advise the Debtor of its rights, powers, and duties as debtor and debtor in possession;
- (b) to take all necessary action to protect and preserve the estate of the Debtor, including the prosecution of actions on the Debtor's behalf, the defense of actions commenced against the Debtor, the negotiation of disputes in which the Debtor is involved, and the preparation of objections to claims filed against the estate;
- (c) to prepare on behalf of the Debtor all necessary motions, applications, answers, orders, reports, and papers in connection with the administration of the Debtor's estate;
- (d) to present on behalf of the Debtor sale or refinancing motions and all related transactions and any related revisions, amendments, etc.; and

(e) to perform all other necessary legal services in connection with this Chapter 11 case.

10. Duane Morris has stated its willingness to act in this case and render the necessary professional services as counsel to the Debtor.

11. To the best of the Debtor's knowledge, except as set forth in the Moore Declaration, the partners and associates of Duane Morris (i) do not have any connection with or any interest adverse to the Debtor, its creditors, or any other party in interest, (ii) are "disinterested persons" as that term is defined in section 101(14) of the Bankruptcy Code, (iii) do not represent any interest adverse to the estate, (iv) are not insiders as the term is defined in section 101(31) of the Bankruptcy Code, and (v) are not related to any judge of this Court, the United States Trustee for the District of Massachusetts or any one employed in the Office of the United States Trustee in this district.

12. To check and clear potential conflicts of interest in this case, Duane Morris researched its client database to determine whether it had any relationships with the following entities (collectively, the "Interested Parties"): (a) the Debtor; (b) the Debtor's principals; (c) the Debtor's secured creditors; and (d) the Debtor's largest unsecured creditors as identified in its Chapter 11 Petition.

13. Duane Morris will continue to search its internal database to determine whether Duane Morris has had any relationships with any other significant parties in interest as they emerge throughout the course of this case.

14. If Duane Morris subsequently discovers additional information that requires disclosure, Duane Morris will promptly file a supplemental disclosure with this Court.

15. Accordingly, the Debtor submits that Duane Morris' representation of the Debtor is permissible under section 327 of the Bankruptcy Code and is in the best interests of all parties in interest.

PROFESSIONAL COMPENSATION

16. Subject to this Court's approval, Duane Morris intends to (a) charge for its legal services on an hourly basis in accordance with its ordinary and customary hourly rates in effect on the date services are rendered and (b) seek reimbursement of actual and necessary out-of-pocket expenses.¹ Duane Morris will maintain detailed, contemporaneous records of time and any actual and necessary expenses incurred in connection with the rendering of the legal services described above by category and nature of the services rendered.²

17. Prior to the filing of this Chapter 11 case, the Debtor provided Duane Morris with a retainer for fees and expenses to be incurred by Duane Morris both in the pre-petition representation of the Debtor in connection with the filing of this case, as well as for post-petition fees and expenses to be incurred by Duane Morris on the Debtor's behalf. \$15,000 of the retainer was paid on June 7, 2007, and an additional payment of \$35,000 was received by Duane Morris on August 14, 2007. On June 7, 2007 Duane Morris applied the retainer to the payment of \$13,961 in fees and expenses through May 31, 2007. On August 16, 2007 Duane Morris

¹ The hourly rates charged by Duane Morris professionals vary based on, among other things, the professional's level of experience and the rates customarily charged by professionals of a similar level of experience in the location of the office in which the professional at issue is resident. These rates may change from time to time, usually on January 1 of each calendar year, in accordance with Duane Morris' established billing practices and procedures.

² The names, positions, resident offices and current hourly rates of the Duane Morris lawyers and paraprofessionals currently expected to have primary responsibility for providing services to the Debtor are listed on Schedule 1 to the Moore Declaration.

applied the retainer to payment of \$17,642.40 of its fees and \$77.40 of its expenses incurred through August 14, 2007 in connection with the preparation and filing of the Debtors' case.

18. Duane Morris intends to apply to this Court for payment of compensation and reimbursement of its post-petition fees and expenses, and any remaining pre-petition fees and expenses in connection with the preparation and filing of the Debtor's case, in accordance with applicable provisions of the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure and the Local Rules of Bankruptcy Procedure for the District of Massachusetts, and pursuant to any additional procedures that may be established by this Court.

19. Other than the above-referenced amounts paid to Duane Morris on account of prepetition legal fees and expenses, the Debtor has made no payments to Duane Morris during the year immediately preceding the Petition Date.

NOTICE AND PRIOR MOTIONS

20. Notice of this Motion has been given to the Office of the United States Trustee for the District of Massachusetts, the Debtor's twenty largest unsecured creditors as identified in its Chapter 11 petition, its secured creditors and known counsel for any creditors. In light of the nature of the relief requested herein, the Debtor submits that no further notice of the Motion is necessary or required.

21. No previous request for the relief sought herein has been made to this or any other court.

WHEREFORE, the Debtor respectfully requests entry of an order granting the relief requested herein and such other and further relief as this Court deems just and proper.

Dated: August 27, 2007
Boston, Massachusetts

PALM HARBOR ONE LLC.

By: /s/Howard L. Greene
Name: Howard L. Greene
Title: Controller

UNITED STATES BANKRUPTCY COURT
DISTRICT OF MASSACHUSETTS
EASTERN DIVISION

In re) Chapter 11
)
PALM HARBOR ONE, LLC,) Case No. 07-15169-JNF
)
)
Debtor.)

CERTIFICATE OF SERVICE

I, Paul D. Moore, hereby certify that on this 27th day of August, 2007, I served copies of the following documents:

1. Motion to Authorize the Debtor to Retain Duane Morris LLP as Counsel, *Nunc Pro Tunc* to the Petition Date;
2. Declaration of Paul D. Moore in Support of Motion to Authorize the Debtor to Retain Duane Morris LLP as Counsel, *Nunc Pro Tunc* to the Petition Date; and
3. Proposed Order Pursuant to 11 U.S.C. §§ 327(a) and 328(a) Authorizing the Employment of Duane Morris LLP as Attorneys for Debtor Nunc Pro Tunc to August 16, 2007.

by first class mail, postage prepaid, on the parties listed on the attached service list.

/s/ Paul D. Moore
Paul D. Moore (BBO#353100)
pdmoores@duanemorris.com
Jennifer L. Hertz (BBO#645081)
jlhertz@duanemorris.com
DUANE MORRIS LLP
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